

Directive No. 95

ACTS 438 AND 773 OF THE 1989 LOUISIANA LEGISLATURE

January 19, 1990

As you are aware, the above referenced Acts were passed by the Legislature last session to provide for the regulation of C.D.W. coverage provided by car rental companies.

Act 438 enacted L.R.S. 22:1406(F) to provide that an insured's personal automobile insurance shall extend to temporary substitute motor vehicles and rental private passenger automobile. Temporary substitute motor vehicles are well known to be vehicles provided to an insured due to maintenance or repair work being done on the insured's own vehicle.

Act 773 enacted Part XV of Chapter 2 of the Insurance Code, L.R.S. 22:2091.1-2091.10 to regulate Collision Damage Waivers provided by lessors of rental motor vehicles. L.R.S. 22:2091.5B(5) provides that the lessor shall display a notice in the contract provision providing the C.D.W. Said notice states if an insured has collision coverage on his own automobile, it automatically extends to "rental motor vehicles" pursuant to Act 438.

The Commissioner does not believe it was the intent of Act 438 to extend an insured's personal automobile insurance to a commercial truck rented by an insured. Therefore, the Commissioner will take no action to require commercial rental truck lessors to display the notice required in Act 773 until the 1990 Louisiana Legislature has a chance to enact clarifying legislation.

Douglas D. Green
COMMISSIONER OF INSURANCE

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